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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

6038
5996
5845

April 23, 2014

Kevin Baugh
Tar Sands Holdings II, LLC
6445 South Wasatch Boulevard, Suite 105
Salt Lake City, Utah 84121

Subject: Conditional Approval of Amended Notice of Intention to Commence Large Mining Operations, Tar Sands Holdings II LLC, Asphalt Ridge 2 Mine, M/047/0032, Uintah County, Utah

Dear Mr. Baugh:

The Division of Oil, Gas and Mining approves the referenced Notice of Intention to Commence Large Mining Operations (Notice) which was received April 15, 2014. This approval is conditional on the following items:

1. Please sign, date, and return page 26 of the Notice.
2. Increased reclamation surety: The Division currently holds a reclamation surety in the amount of \$302,000 in the form of a certificate of deposit (CD) at Zions Bank. Based on the revised reclamation cost estimate, the required surety amount for M/047/0032 is \$683,000. The additional amount, \$381,000, may be submitted by increasing the principle in the existing CD or by submitting a new CD, a letter of credit, cash, or a surety bond for either the increased or total amount.

Please contact Penny Berry at (801) 538-5291 or pennyberry@utah.gov for assistance on providing the additional reclamation surety. Thank you for your cooperation and patience in completing this permitting process. Please contact April Abate at 801-538-5214 or me at 801-538-5261 if you have questions regarding this approval.

Sincerely,

Paul Baker
Minerals Program Manager

PB: aa: eb

Enclosures, Pg. 26 NOI, surety estimate

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